



Q2

Interim Report January – June 2014
August 7, 2014 from Rederi AB Transatlantic (publ)



Interim report 2014, January - June

Second quarter 2014

- Net revenues amounted to SEK 737 M (787)
- Result before capital costs, EBITDA, amounted to SEK 123 M (109)
- Operational result before tax amounted to SEK 42 M (-24)¹
- Result before tax amounted to SEK 35 M (-42)
- Result after tax amounted to SEK 34 M (-62)
- Earnings per share after tax amounted to SEK 0.2 (-0.6)

January - June 2014

- Net revenues amounted to SEK 1 466 M (1 511)
- Result before capital costs, EBITDA, amounted to SEK 133 M (91)
- Operational result before tax amounted to SEK -9 M (-162)¹
- Result before tax amounted to SEK -73 M (-180)
- Result after tax amounted to SEK -78 M (-199)
- Earnings per share after tax amounted to SEK -0.5 (-1.8)

Major events second quarter

- The Group's operational quarterly result amounted SEK 42 M (-24) which is an improvement compared to the previous quarter and year. In addition restructuring items and provisions for loss contracts have impacted the quarterly result by SEK -7 M (-18).
- The new share issue approved by the Annual General Meeting, which brought SEK 148 M, was completed during the quarter and is used for ongoing restructuring measures.
- The business area Industrial Shipping has changed name to TransAtlantic.
- The TransPal Line related business sites in Hull, Szczecin and Daugava were exited during the quarter.
- The TransAtlantic service in northern Sweden has been expanded by a new port call in Piteå.
- Viking Supply Ships (VSS) was awarded a contract for the AHTS Icebreaker Tor Viking with a major oil company for a period of 11 months, commencing in June 2014. The total value of the firm contract period is USD 34.5 M.
- All four of VSS AHTS vessels contacted by a major oil company started performing on the contract at the end of May.
- VSS has completed the acquisition of SBS Typhoon by use of a call option at a purchase price below current market value.
- Six of VSS AHTS vessels are operating in Russian waters. The political situation in the Ukraine and the sanctions directed against Russia has until now not negatively impacted the operations. It is difficult to predict how the situation will develop, but it is carefully monitored.
- VSS has refinanced the PSV fleet with maturity in 2016. The loan, which secures a long term financing and enables the acquisitions of SBS Typhoon and Freyja Viking, amounts SEK 490 M.
- VSS has secured a firm commitment to refinance three AHTS Icebreakers to the amount of SEK 680 M with maturity in 2019.

Major events after the second quarter

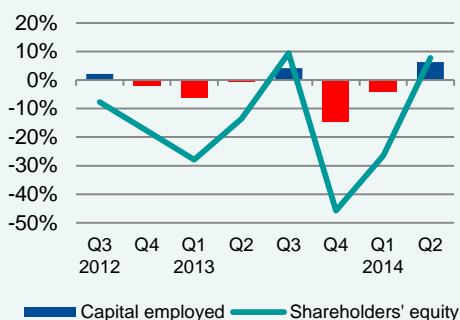
- A bareboat charter agreement has been renegotiated after the end of the period to better match the charter agreements through which the same vessels are chartered out.

Key data, January - June

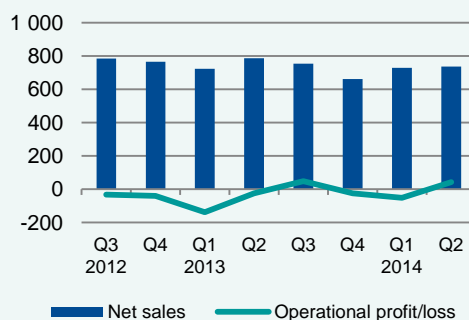
	2014	2013
Net sales, SEK M	1 466	1 511
Earnings before capital expenses (EBITDA), SEK M	133	91
Operational result before tax, SEK M ¹	-9	-162
Result before tax, SEK M	-73	-180
Result after tax, SEK M	-78	-199
Earnings per share after tax, SEK	-0.5	-1.8
Shareholders' equity per share, SEK	10.5	16.4
Return on equity, %	-8.6	-20.3
Return on capital employed, %	1.2	-3.3
Equity/asset ratio at balance day, %	35.8	32.5

1. Operational resultat: Result before tax, restructuring- and acquisition items.

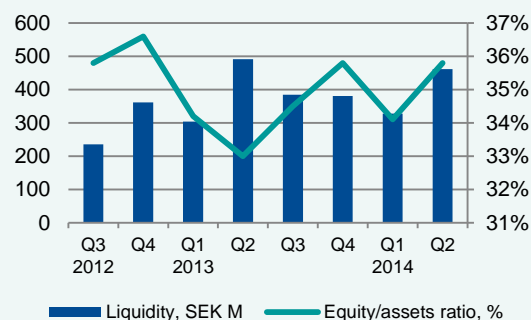
Return on capital employed and shareholders' equity, %



Net sales and operational profit, SEK M



Liquidity and equity/assets ratio SEK M and %



CEO statement

The second quarter of 2014, in line with the previous quarter, shows an underlying positive trend in both business areas. The business area Viking Supply Ships show a profit for the quarter despite a weaker spot market than expected, mainly driven by the increasing share of long-term contracts previously signed. The business area Industrial Shipping has changed name to TransAtlantic. The restructuring process within the business area has continued according to plan during the quarter and contributed with positive results, however, the operational result is still not at a satisfactory level. The new rights issue approved by the Annual General Meeting of 148 MSEK was concluded during the quarter. For the second quarter, profit before tax for the Group was 35 MSEK (-42), negatively affected by restructuring costs and provisions of -7 MSEK (-18).

Viking Supply Ships

The quarter saw an improvement in both sales and profit. The rate level for the AHTS vessels increased during the quarter, while the utilization rate has remained stable. The contract that was signed in Q4 2013 with a major oil company for four AHTS vessels was initiated during May, and towards the end of the second quarter 2014 seven AHTS vessels were on term contract and one vessel on the spot market. In the PSV segment both rate and utilization levels decreased somewhat during the quarter. The Services and Ship Management segments are progressing as planned. Furthermore, Viking Supply Ships has secured the refinancing of ship loans within both the AHTS and PSV segments. In addition, the previously communicated evaluation of a possible sale of the Viking Supply Ships PSV fleet has not been concluded.

TransAtlantic

As in previous quarters, TransAtlantic is still exposed to weak market conditions. The operational result for the quarter improved, but is still not at a satisfactory level. Meanwhile, sales fell mainly as a result of operations being divested and closed down. The line and vessel capacity have been adapted to current market conditions. In addition, a new port call in Piteå for container traffic, which is a breakthrough in northern Sweden, creating a new market for the operations. The restructuring activities remain in focus with an emphasis on a clearer business model, focusing on RoRo and Container Feeder Service. The structure of the business area has been refined into a separate group under Rederi AB Transatlantic (RABT), within which Line and Ship Management operations are organized separately.

The Group

The Annual General Meeting was conducted on April 23 in Gothenburg as planned. The new rights issue approved by the Annual General Meeting of 148 MSEK was concluded during the quarter. Excluding shares subscribed for by Kistefos, approximately 99.1 percent of the A-shares and 100.7 percent of the B-shares were subscribed for. Including shares subscribed for by Kistefos on the basis of subsidiary preferential rights, the rights issue is, however, fully subscribed. The purpose of the rights issue is to accelerate the restructuring process and implement additional efficiency, as well as to facilitate a potential the split of the Group.

Outlook

The market conditions for Viking Supply Ships are expected to improve going forward, although modestly for the AHTS segment. Efforts to increase the proportion of long-term contracts within the business area are still in focus. Viking Supply Ships also deem that the political situation in the Ukraine could lead to future threats to the company's activities in Russia, although it is difficult to predict the consequences of potential reactions.

The market for TransAtlantic is expected to remain weak but stable in 2014 and the business is expected to contribute with a negative result for the year. The earnings capacity remains sensitive to changes in volumes. The restructuring and efficiency efforts will continue and we expect to implement further cost savings to improve efficiency and increase competitiveness.

The same long-term objective remains – to create two independently strong operations with the right prerequisites to successful competition in their respective markets.

Gothenburg, August 7, 2014



Tom Ruud,
CEO

Consolidated earnings for January-June

Consolidated net sales for the first half year 2014 amounted to SEK 1 466 M (1 511). The Group reported a result after tax of SEK -78 M (-199), of which net restructuring costs and acquisition effects amounted a total of SEK -64 M (-18). The result before tax amounted to SEK -73 M (-180). The major restructuring items consisted of provisions for the closing of TransPal Line and associated terminal in Hull as well as a loss contract. All restructuring items for the period effects the business area TransAtlantic.

Transatlantic Group

SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Net sales	737	787	1 466	1 511	2 925
Result before capital costs, EBITDA	123	109	133	91	270
Operating result, EBIT	69	-5	26	-83	-193
Result before tax	35	-42	-73	-180	-321
Profit margin %	4.8	-5.1	-5.0	-11.9	-11.0

Result before tax by business area

Viking Supply Ships	44	17	31	-59	50
TransAtlantic	-2	-41	-40	-103	-187
Total operational result	42	-24	-9	-162	-137
Restructuring items	-7	-18	-64	-18	-184
Result before tax	35	-42	-73	-180	-321
Tax	-1	-20	-5	-19	-38
Result for the period	34	-62	-78	-199	-359
Profit per share, SEK	0.2	-0.6	-0.5	-1.8	-3.2

For further information, please see tables on page 12-18.

Financial position, investments and divestments

The table below summarizes changes in cash and cash equivalents for the period:

Consolidated cash-flow statement

MSEK	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Cash flow from operations before changes in working capital	31	75	31	-13	56
Changes in working capital	15	-48	10	15	6
Cash flow from current operations	46	27	41	2	62
Cash flow from investing activities	-153	-51	-138	-70	-4
Cash flow from financing activities	234	203	169	196	-30
Changes in cash and cash equivalents	127	179	72	128	28
Cash and cash equivalents at beginning of period	328	304	381	361	361
Exchange-rate difference in cash and cash equivalents	6	8	8	2	-8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	461	491	461	491	381

Consolidated cash and cash equivalents at the end of the period amounted to SEK 461 M (491) for the Group. Cash assets include unavailable client funds of SEK 62 M. The Group has loan agreements which contain cash covenants which require the cash level to be the higher of either 5% of interest-bearing debt or the equivalent of SEK 165 M.

At the end of period, the Group's equity amounted to SEK 1 871 M (10.5 SEK / share), including non-controlling interests amounting to SEK 0 M (0.0 SEK / share). A new rights issue of SEK 145 M, less cost for issuance, was conducted and added to the equity during the second quarter of 2014. Equity declined by SEK -78 M due to the loss for the first half year. Further a change in the translation reserve of SEK 55 M attributable to currency differences on net investments in subsidiaries with functional currencies other than SEK has affected positively.

Gross investments during the period amounted to SEK 189 M (70) before financing. These consisted mainly of the acquisition of the previously chartered PSV-vessel SBS Typhoon by use of a call option in the charter party, and of capitalized

docking expenses and complementary investments in vessels within Viking Supply Ships.

During the first quarter ship loans related to two AHTS-vessels within Viking Supply Ships was refinanced by SEK 679 M with maturity 2018. The transaction affected the liquidity positively which was used by repurchasing previously issued debt certificates. Total value of debt certificates held at the end of the period amounts to SEK 79 M.

During the second quarter a refinancing of SEK 490 M with maturity 2016 was concluded for the PSV-fleet in conjunction with the acquisition of SBS Typhoon in June, and the acquisition of Frejja Viking which will be concluded in October 2014. The acquisitions are implemented by use of call options to purchase prices lower than market value.

Loan commitments has been obtained in order to refinance three AHTS Icebreakers at a total loan value of SEK 680 M with maturity end of 2019. The transaction will release free liquidity of SEK 110 M.

Financial position

At close of each period	30.6.2014	31.12.2013
Total assets, SEK M	5 231	4 884
Shareholders' equity, SEK M	1 871	1 749
Equity/assets ratio, %	35.8	35.8
Debt/equity ratio, %	123	130
Cash and cash equivalents, SEK M	461	381
Number of shares outstanding	177 444 318	147 870 266

TransAtlantic business area

The business area has changed name from Industrial Shipping to TransAtlantic. TransAtlantic offers liner services within the Baltic Sea and northern Europe as its primary markets. The operation is primarily based on system traffic with RoRo and container vessels, as well as chartering of bulk vessels.

The improved operational result for the business area during the second quarter amounted to SEK -2 M (-41) despite a reduction in turnover of SEK 153 M, corresponding to a decrease of 31 %. The decrease mainly relates to the outsourcing of the Short Sea Bulk business, the closure of TransPal Line (TPL) and of downsizing within 'Other businesses'. The restructuring measures taken in 2013 and first half of 2014 is now beginning to yield positive results. Although the situation seems to have stabilized, the profitability remains unsatisfactory.

The restructuring efforts have continued during the second quarter towards a more distinct business model focused on RoRo and Container feeder service. As a consequence of the closure of the unprofitable TPL operation, the related terminal and offices in UK and Poland were disposed of. The business area has been restructured to a separate group structure, held by the parent company Rederi AB Transatlantic (RABT), in which the liner services and the ship management has been organized separately. The effort to right-size the organization to the requirements of the business will continue. The number of employees amounts to 312 which is a reduction by 66 since beginning of the year.

RoRo

The scheduled liner services between Finland and Germany/Belgium with TransLumi Line (TLL) and Trans Bothnia Line (TBL) have continued with satisfactory volumes during the quarter. Additional port calls has contributed with volumes, which has mitigated the effects of the weak Finnish market.

Container

The container business is conducted in three different liner services, TransFeeder North (TFN), TransBothnia Container Line (TBCL) and

TransFeeder South (TFS) serving markets in Finland, Sweden, Germany and Belgium. The schedules and vessel capacity has been adapted to the market conditions, which contributes to the improved profitability. In the beginning of June a new port call in Piteå was introduced, which is a breakthrough for the operation in the northern part of Sweden, creating a new marketplace for the TransAtlantic's container services.

The TFN volumes have had a negative trend affected by the weak Finnish economy, however, earning levels has been compensated by the closure of TPL and of improved volumes on the other lines.

Other businesses

The remaining chartering businesses with mid-sized bulk vessels and RoRo vessels not utilized in TransAtlantic's own liner services have during the period developed better than the corresponding period previous year. The partnership related to the small bulk vessels have been successful. A bare-boat charter agreement has been renegotiated after the end of the period to better match the charter agreements through which the same vessels are chartered out.

Outlook

TransAtlantic's strategy aims to further strengthen the position in the Baltic Sea area and secure the business within the RoRo and Container segments. The restructuring and efficiency improvement efforts will continue and further cost reduction measures will be implemented in order to improve competitiveness. In addition there are ongoing discussions with several customers about improved products offered by TransAtlantic within the RoRo and Container segments, as well as to meet the new environmental legislation (SECA), effective in 2015.

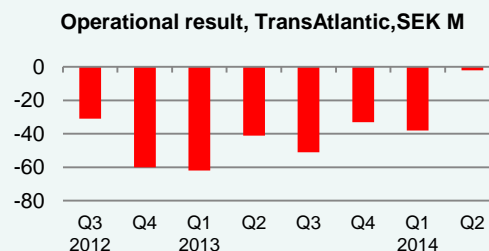
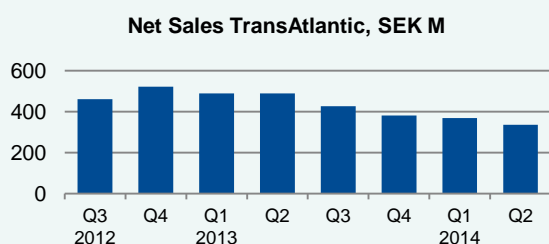
The markets, in which TransAtlantic shipping segments operates, are expected to remain weak but stable throughout 2014. The assessment remains that business area TransAtlantic will contribute with a negative result for the full year of 2014.

TransAtlantic

SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	
Net sales	336	489	705	978	1 787
EBITDA	-3	2	-73	-35	-83
Result before tax	-9	-59	-104	-121	-283
Operational result ¹⁾	-2	-41	-40	-103	-187
Operational profit margin	-1%	-8%	-6%	-11%	-10%

1) Result before tax, restructuring- and acquisitions items

TransAtlantic business area (cont.)



Viking Supply Ships business area

The business area encompasses arctic offshore operations, the spot market for offshore in the North Sea and the global offshore sector. The fleet comprises of 14 offshore vessels, seven of which are equipped for operating in ice and harsh environments, such as Arctic regions.

The operational result of Viking Supply Ships (VSS) amounted to SEK 44 M (17) for quarter. The operational result in the quarter improved compared to the preceding quarter due to seasonal higher activity. Compared to the corresponding quarter in 2013 operational improvements and an improved market positively affected the result by SEK 27 M.

Anchor Handling Tug Supply (AHTS)

Despite a reduced fleet size in the North Sea spot market during the second quarter, the market has been weak due to low activity and demand in the period. Both utilization and rates have been below normal levels.

By the end of the second quarter of 2014 seven vessels were on term charters, while one was traded in the North Sea spot market.

For the second quarter the VSS AHTS fleet as a whole obtained an average fixture rate of SEK 455 T (378) and a utilization of 72 % (73).

The AHTS Icebreaker Tor Viking was awarded a contract with a major oil company for a period of 11 months in the Far East, commencing in June 2014. The charterer has the option to extend the contract with 2x6 months, subject to vessel availability. The total value of the firm contract period is USD 34.5 M. As communicated in the Q1 2014 financial report, VSS will receive a compensation fee due to the cancellation by a major oil company of the 2014 drilling season for AHTS Icebreaker Tor Viking. The final fee is still to be resolved, hence VSS has

accounted for this conservatively and only included a limited amount during the quarter.

Sakhalin Energy has exercised the first of three 4 month options on AHTS Icebreaker Vidar Viking. The vessel is now on firm contract until April 2015.

As communicated on October 28, 2013, VSS has signed a contract with a major oil company for four of its AHTS vessels. All four AHTS vessels started performing on the contract at the end of May 2014. Further, VSS has secured a firm commitment regarding refinancing of the existing bank loan on the three AHTS Icebreakers Tor, Balder and Vidar Viking. The new secured bank loan agreement of SEK 680 M will mature in 2019, and draw-down is expected to take place in Q3 2014.

Six of VSS AHTS vessels are operating in Russian waters. The political situation in Ukraine and the sanctions directed against Russia has until now not negatively affected these operations. It is difficult to predict how the situation will develop, but it is carefully monitored.

Platform Supply Vessels (PSV)

The supply of PSV vessels in the North Sea has remained relatively stable during the quarter, but as demand has not increased as anticipated for the season, the market has remained weak during the second quarter.

By the end of the second quarter of 2014 three vessels were on term charters, while three were traded in the North Sea spot market.

For the second quarter the VSS PSV fleet as a whole obtained an average fixture rate of SEK 115 T (122) and a utilization of 82 % (88).

Viking Supply Ships business area (cont.)

VSS has refinanced the secured bank loan financing the PSV fleet, by signing a new secured bank loan agreement of NOK 445 M maturing in 2016. The purpose of the refinancing was to extend the existing loan agreement and to facilitate the purchase of the PSV vessels SBS Typhoon and Freyja Viking which have been on long term bareboat charters to VSS. SBS Typhoon was purchased in connection with the refinancing and Freyja Viking will be purchased in October 2014. The acquisitions are implemented by use of call options to purchase prices lower than market value.

Services and Ship Management

In the Services segment the Kara Sea Consultancy Project is progressing according to the project plan. All seafarers have finalized their education at the Viking Ice Academy, and the Shore Operations Center in Moscow has been staffed and equipped and is now fully operational. The Shore Operations Center delivers valuable data such as weather forecasts, information about ice conditions and general guidance to the vessels operating in the

Kara Sea. Revenue from the project during quarter was SEK 84 M.

The Ship Management segment operated according to plan with no major incidents during the quarter.

Outlook

With a decreased fleet available in the North Sea spot market, which we deem as an indication of both local and global drilling activity, we expect a moderate improvement of the AHTS market going forward. Activity levels have however been at the lower end of the spectrum recently, and the market would require even more underlying demand growth to improve.

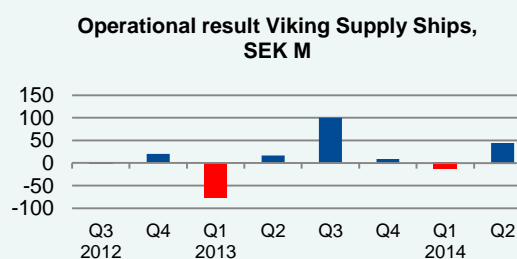
For the PSV segment, we expect the demand to improve as more rigs go into operation or return from yard stays. The positive effect will be off-set by a few new builds entering the market, and the market balance will most likely be determined by other geographical area demand.

VSS is continuing its effort to secure long term contracts within the arctic and harsh environment offshore market, and the company is optimistic of future opportunities within the segment.

Viking Supply Ships

SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Net sales	401	298	761	533	1 138
EBITDA	126	107	206	126	353
Result before tax	44	17	31	-59	-38
Operational result ¹⁾	44	17	31	-59	50
Operational profit margin	11%	6%	4%	-11%	4%

1) Result before tax, restructuring- and acquisitions items



Parent Company

Earnings and financial position

The Parent Company's result before and after tax for the first half year amounted to SEK 5 M (-53).

The restructuring of the Groups' legal structure to streamline the businesses in the two business areas TransAtlantic and Viking Supply Ships has continued during the first half year of 2014, where the related business and shareholdings has been transferred from the Parent Company Rederi AB Transatlantic to its wholly owned subsidiary Transatlantic AB. This is reflected in the Parent Company's income statement and balance sheet, where turnover and assets have reduced compared to last year.

During the second quarter most of the remaining business activities, Ship Management and administrative services for TransAtlantic, have been transferred to TransAtlantic AB and TransAtlantic Ship Management AB. The remaining activity in the Parent Company will, when the restructuring is completed, mainly consist of the shareholdings in TransAtlantic AB and Viking Supply Ships A/S, parent companies for the two business areas respectively, as well as very limited Group wide administration.

The new share issue that was completed in June brought net SEK 145 M after issuance costs to the Parent Company.

At end of the period the Parent Company's equity amounted to SEK 2 538 M (2 388 on Dec 31, 2013), total assets to SEK 2 771 M (2 726 on Dec 31, 2013). The equity/assets ratio on the balance day was 92 % (88 on Dec 31, 2013). Cash and cash equivalents at the end of the period amounted to SEK 19 M (105 on Dec 31, 2013).

Number of shares

Share distribution on June 30, 2014 is presented below:

Number of Series A shares	11 634 946
<u>Number of Series B shares, listed</u>	<u>165 809 372</u>
Total number of shares	177 444 318

See also Changes in Group's shareholders' equity, page 15.

Other

Corporate tax

The general situation for the Group is that taxes payable are very limited. Accordingly, recognized corporate tax mainly comprises deferred tax. The tax losses carry forward amounted at end of the period, net for Swedish entities, to SEK 953 M, of which SEK 182 M is capitalized. The recognized net deferred tax asset for the Swedish operations amounted by the end of the period to SEK 40 M (40, on Dec 31, 2013). The recognized deferred tax liability for the operations outside Sweden amounted to SEK 0 M (0, on Dec 31, 2013).

Transactions with closely related parties

Kistefos has, through a consultancy agreement, made management and financial services available to the Group, for which compensation has been paid to a total of SEK 3 M for the half year.

TransAtlantic had until April 16, 2014, a long term lease of a container ship, TransAlrek, owned by a German shipping company, in which TransAtlantic's Vice Chairman Folke Patriksson has a minority interest via his company Enneff Rederi AB. The agreement was on market terms and was agreed to run until December 31, 2014 with a quarterly rent of SEK 2.7 M. As the vessel was no longer required in TransAtlantic's operations, the agreement was terminated prematurely. For the first half year, until the termination date of April 16, TransAtlantic paid SEK 3.2 M under this agreement. A new agreement was at the same time entered into with the ship owner where TransAtlantic shall compensate the ship owner for the difference between the negotiated day rate in the original agreement and the day rates obtained by the ship owner in a new external lease agreement until December 31, 2014. From April 17 until June 30, 2014, TransAtlantic has paid SEK 0.4 M in such compensation.

After approval at the Annual General Shareholder's meeting held in April 2014, the two subsidiaries Daugava Shipping Services SIA and Transatlantic Spolka z.o.o was divested to the companies' respective CEO. These transactions did not materially impact the Groups financial position.

Apart from above, there were no other significant transactions.

Risks and uncertainties

Rederi AB Transatlantic operates in a highly competitive market with negative growth and competitive profit margins. The profitability is negative and the liquidity is strained. Rederi AB Transatlantic is exposed to various operational and financial risk factors. The financial risk is mainly related to liquidity risk, funding risk and currency risk.

The main operational risk factors relates to the overall macro economic market conditions, degree

of competition, flow of goods in prioritized market segments and finally the overall balance of supply and demand of vessels, affecting rates and profit margins.

The objective of the overall risk management policy of the Group is to ensure a balanced risk and return relationship.

The refinancing of the loans that have been completed within Viking Supply Ships has ensured a satisfactory financing situation for the Group.

Accounting policies

This interim report, for the Group, was prepared in accordance with the application of IAS 34 Interim Financial Reporting and applicable rules in the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation FRF 2 Accounting for Legal Entities. Unless otherwise noted, the same accounting policies for both the Group and the Parent Company have been applied as those used in the most recent Annual Report.

Viking Supply Ships (VSS) publish a separate report as a result of the issued debt certificates. Some values in that report are not comparable to the values in this report, as a result of different acquisition values and depreciation schedules between VSS and the Group. VSS has as of Q3 2011 been built through Group-internal transfers of vessels and operations at then current marketing prices, which is why differences in acquisition values have arisen.

Number of employees

The average number of employees in the Group during first half year was 823 (Jan-Dec 2013: 866). The decrease relates to a reduction of ashore employees within business area TransAtlantic.

Events after the close of the reporting period

A bareboat charter agreement has been renegotiated after the end of the period to better correspond with the charter agreements through which the same vessels are chartered out. This transaction has led to an investment commitment of SEK 37 M.

Press and analyst conference

In conjunction with the publication of this interim report, an earnings call will take place on August 7, 2014 at 10.00 am (CET) with Rederi AB Transatlantic's CEO, Tom Ruud and CFO Tomas Bergendahl. In connection with the conference, a presentation will be available on the company's website, www.rabt.se. Please see Investor Relations/presentations.

This information is such that Rederi AB Transatlantic is obligated to publish in accordance with the Swedish Securities Act and/or the Swedish Financial Instruments Trading Act. This report has been prepared in both Swedish and English versions. In case of variations in the content between the two versions, the Swedish version shall govern. This report was submitted for publication at 8:30 am (CET) on August 7, 2014.

The undersigned certify that the interim report gives a true and fair picture of the Group's financial position and results, and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Gothenburg, August 7, 2014

Rederi AB TransAtlantic

Christen Sveaas
Chairman

Folke Patriksson
Deputy chairman

Håkan Larsson
Board member

Magnus Sonnorp
Board member

Christer Lindgren
Employee representative

Tom Ruud
CEO and Board member

This interim report is unaudited

Investor relations - please contact CFO Tomas Bergendahl, ph +46 (0) 31-763 2378.

Financial calendar 2014

October 30 Interim report January-September

The interim report is available in its entirety on the company's website, www.rabt.se.

Consolidated income statement

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Net sales	737	787	1 466	1 511	2 925
Other operating revenue	0	101	0	101	107
Direct voyage cost	-165	-266	-381	-621	-1 059
Personnel costs	-181	-148	-368	-299	-710
Other costs	-269	-365	-585	-601	-991
Depreciation/impairment	-53	-114	-106	-174	-465
Operating result	69	-5	26	-83	-193
Net financial items	-34	-37	-99	-97	-128
Result before tax	35	-42	-73	-180	-321
Tax	-1	-20	-5	-19	-38
Result for the period	34	-62	-78	-199	-359
<i>Attributable to:</i>					
Parent Company's shareholders	34	-55	-72	-193	-353
Non-controlling interests	0	-7	-6	-6	-6
INCOME FOR THE PERIOD	34	-62	-78	-199	-359
Earnings attributable to Parent Company's shareholders, per share in SEK (before and after dilution)	0.2	-0.5	-0.5	-1.7	-3.1

Consolidated statement of comprehensive income

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Result for the period	34	-62	-78	-199	-359
<i>Other comprehensive income for the period:</i>					
Change in hedging reserve, net	0	-5	0	0	0
Change in translation reserve, net	46	47	55	-87	-140
Other comprehensive income	46	42	55	-87	-140
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	80	-20	-23	-286	-499
<i>Total comprehensive income attributable to:</i>					
Parent Company's shareholders	80	-13	-23	-280	-493
Non-controlling interests	0	-7	0	-6	-6

Net sales by business area

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Viking Supply Ships	401	298	761	533	1 138
TransAtlantic	336	489	705	978	1787
TOTAL NET SALES	737	787	1 466	1 511	2 925

Result before tax by business area

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Viking Supply Ships	44	17	31	-59	50
TransAtlantic	-2	-41	-40	-103	-187
OPERATIONAL RESULT BEFORE TAX	42	-24	-9	-162	-137
Restructuring items	-7	-18	-64	-18	-184
RESULT BEFORE TAX	35	-42	-73	-180	-321
<i>Attributable to:</i>					
Parent Company's shareholders	35	-35	-73	-174	-315
Non-controlling interests	0	-7	0	-6	-6

Assets allocated by business area

All amounts in SEK M	30.6.2014	31.12.2013
Viking Supply Ships	4 654	4 326
TransAtlantic	577	558
TOTAL ASSETS	5 231	4 884

Consolidated balance sheet

All amounts in SEK M	30.6.2014	31.12.2013
Vessels	4 153	3 925
Other tangible fixed assets	5	12
Intangible fixed assets	7	7
Financial assets	119	141
Total fixed assets	4 284	4 085
Current assets	947	799
TOTAL ASSETS	5 231	4 884
Shareholders' equity	1 871	1 749
Long-term liabilities	2 497	2 411
Current liabilities	863	724
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	5 231	4 884

Valuation of financial assets and liabilities

The valuation of financial assets and liabilities in the balance sheet are based on acquisition value or fair value. The valuation of FX derivatives and interest rate derivatives are based on fair value. The balance items "Long-term liabilities" includes derivatives by SEK 16 M (37), and "Current liabilities" by SEK 5 M (0). Valuation of other financial assets and liabilities items in the balance sheets are based on acquisition value.

Assessment of fair value of financial instruments

The input used in the valuation of financial instruments base the three level classification: Level 1, fair values based on market values, where the instruments are traded on an active market, are available. Level 2, no market values based on an active market are available, valuations are instead based on measurements of discounted cash flows. Level 3, at least one variable is based on own assessments. The fair value valuation of the Group's FX- and interest rate instruments are based on input according to level 2.

Consolidated cash-flow statement

MSEK	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Cash flow from operations before changes in working capital	31	75	31	-13	56
Changes in working capital	15	-48	10	15	6
Cash flow from current operations	46	27	41	2	62
Cash flow from investing activities	-153	-51	-138	-70	-4
Cash flow from financing activities	234	203	169	196	-30
Changes in cash and cash equivalents	127	179	72	128	28
Cash and cash equivalents at beginning of period	328	304	381	361	361
Exchange-rate difference in cash and cash equivalents	6	8	8	2	-8
CASH AND CASH EQUIVALENTS AT END OF PERIOD	461	491	461	491	381

Changes in the Group's shareholders' equity

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Equity at beginning of period	1 646	1 839	1 749	2 104	2 104
New share issue less cost for issuance	145	-	145	-	144
Total comprehensive income for the period	80	-20	-23	-286	-499
SHAREHOLDERS' EQUITY AT END OF PERIOD	1 871	1 819	1 871	1 819	1 749

Share capital in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Share capital at beginning of period	148	111	148	111	111
New share issue	29	-	29	-	37
Share capital at end of period	177	111	177	111	148

Number of shares ('000)	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Number of outstanding shares at beginning of period	147 870	110 903	147 870	110 903	110 903
New issued shares	29 574	-	29 574	-	36 967
Total number of shares at end of period	177 444	110 903	177 444	110 903	147 870
Average number of shares outstanding ('000)	155 995	110 903	151 955	110 903	112 726

Data per share

All amounts in SEK	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Earnings before capital expenses (EBITDA)	0.8	1.0	0.9	0.8	2.4
Operating result (EBIT)	0.4	0.0	0.2	-0.7	-1.7
Result after current tax	0.2	-0.4	-0.5	-1.6	-2.9
Result after full tax	0.2	-0.6	-0.5	-1.8	-3.2
Shareholders' equity end of period incl. non-contr. intere	10.5	16.4	10.5	16.4	11.8
Operating cash flow	0.6	0.6	0.3	-0.1	1.3
Total cash flow	0.8	1.6	0.5	1.2	0.3

Key data

		April - June		January - June		Full Year
		2014	2013	2014	2013	2013
Earnings before capital expenses (EBITDA)	SEK M	123	109	133	91	270
Operating result (EBIT)	SEK M	69	-5	26	-83	-193
Shareholders' equity	SEK M	1 871	1 819	1 871	1 819	1 749
Net indebtedness	SEK M	2 309	2 578	2 309	2 578	2 268
Operating cash flow	SEK M	88	72	50	-7	144
Total cash flow	SEK M	127	178	72	128	28
Return on capital employed	%	6.3	-0.4	1.2	-3.3	-4.1
Return on shareholders' equity	%	7.8	-13.6	-8.6	-20.3	-18.6
Equity/assets ratio	%	35.8	32.5	35.8	32.5	35.8
Debt/equity ratio	%	123.4	141.7	123.4	141.7	130.0
Profit margin	%	4.8	-5.1	-5.0	-11.9	-11.0

Parent Company income statement

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Net sales	74	297	153	580	1 132
Other operating revenue	0	101	0	101	107
Direct voyage costs	0	-123	0	-259	-496
Personnel costs	-24	-38	-64	-80	-160
Other costs	-21	-225	-91	-372	-613
Depreciation/impairment	0	-2	0	-3	-24
Operating result	29	10	-2	-33	-54
Net financial items	4	-4	7	-1	-285
Result before tax	33	6	5	-34	-339
Tax on result for the year	-	-19	-	-19	-23
RESULT FOR THE PERIOD	33	-13	5	-53	-362
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	33	-13	5	-53	-362

Parent Company balance sheet

All amounts in SEK M	30.6.2014	31.12.2013
Tangible fixed assets	-	2
Financial fixed assets	2 736	2 539
Total fixed assets	2 736	2 541
Current assets	35	185
TOTAL ASSETS	2 771	2 726
Shareholders' equity	2 538	2 388
Provisions	6	6
Longterm liabilities	175	175
Current liabilities	52	157
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	2 771	2 726

Changes in Parent Company's shareholders' equity

All amounts in SEK M	April - June		January - June		Full Year
	2014	2013	2014	2013	2013
Shareholders' equity at beginning of period	2 360	2 567	2 388	2 607	2 607
New share issue less cost for issuance	145	-	145	-	144
Total comprehensive income for the period	33	-13	5	-53	-362
SHAREHOLDERS' EQUITY AT END OF PERIOD	2 538	2 554	2 538	2 554	2 388

Definitions

Capital employed

Interest-bearing liabilities and shareholders' equity.

Debt/equity ratio

Interest-bearing liabilities minus cash and cash equivalents divided by shareholders' equity.

Earnings per share

Profit after financial items less 1) current tax, 2) tax on profit for the year (current and deferred tax) in accordance with the consolidated income statement.

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation and amortization, corresponding to profit/loss before capital expenses and tax.

Equity/assets ratio

Shareholders' equity divided by total assets.

Equity per share

Equity divided by the number of shares outstanding.

Hedging

A general term for financial measures taken to avoid undesirable effects on earnings due to variations in interest rates, exchange rates, etc.

IFRS

International Financial Reporting Standards – an international accounting standard used by all listed companies. Some older standards included in IFRS include IAS (International Accounting Standards).

Net indebtedness

Interest-bearing liabilities less cash and cash equivalents.

Operating cash flow

Profit/loss after financial income/expense adjusted for capital gains/losses, depreciation/amortization and impairment.

Operating profit/loss (before tax)

Profit/loss before tax and before restructuring costs.

Operating profit/loss

Profit/loss before financial items and tax, and before restructuring costs.

Profit margin

Profit after financial items divided by net sales.

Return on equity

Profit after financial items less tax on profit for the year, divided by average shareholders' equity.

Return on capital employed

Profit before interest and tax (EBIT) divided by average capital employed.

Restructuring costs

Includes revenues and expenses of a non-recurring nature, such as capital gains/losses from the sale of vessels, impairment of vessels and costs related to personnel cutbacks.

Share of interest-bearing capital

Equity and deferred tax (including minority share) divided by total assets.

Total cash flow

Cash flow from operating activities, investing activities and financing activities



Rederi AB TransAtlantic (RABT) is a leading Swedish shipping company headquartered in Gothenburg, Sweden. Rederi AB Transatlantic is organized into two business areas: TransAtlantic and Viking Supply Ships. Viking Supply Ships is active in offshore and icebreaking. The TransAtlantic business area is primarily focused on liner services with Container and RoRo vessels. The Group has about 800 employees and generated sales of SEK 2 925 M in 2013. The company's Series B shares are listed on the NASDAQ OMX Stockholm, Small Cap segment.

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